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8 May 1948

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Progress Report of the Executive for Inspection and Security for the Month of April 1948.

I. PROGRESS FOR APRILA. Status of Security within CIA

1. Security violations for the month of April numbered 13, the lowest number recorded since statistics of this type have been maintained. Ten of the 13 violations occurred in two office areas--ORE and OEO. The security situation continues on a very favorable plane in that during the month of April 70 complete inspections were carried out by the night duty security officers. This represents comprehensive coverage and indicates that the employees are fully aware of their responsibilities for the safeguarding of classified material.

2. The Executive for I & S has received authority to establish a CIA Investigative Unit within I & S for the investigation of personnel cases. It is anticipated that the organization will begin to function on August 1. Organizational work has been initiated and a nucleus of trained investigators has been set up for implementation of the program. This will resolve a rather serious situation which developed as a result of the FBI withdrawal of its investigative services on 1 January 1948.

3. The program for the establishment of a separate guard force for all CIA buildings has been approved and negotiations are now in progress with Department of Interior for implementation of this program. The establishment of a separate guard force of high caliber personnel will greatly increase the efficiency of the guard organization and the security of our building operations. Direct control over the guards is a principal feature of this program, which will eliminate the conflicting jurisdictions that exist in the present guard force.

4. Negotiations with the Civil Service Commission for the compliance by CIA with the Federal Loyalty Program have been conducted and an understanding with the Commission has been established wherein CIA will meet the requirements of the Loyalty Program to the greatest extent possible consistent with our security requirements for the protection of intelligence sources of information.

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5. The detail implementation of the Disaster Plan has been effected and all organizational units of CIA have established their operating procedures under this plan.

B. Accomplishments and Activities during April 1948

6. Investigations Division

a. Agreements have been established with OO and personnel are being procured for the implementation of the security aspects of the contacts program. Development of this program is expected to begin in the early part of May.

b. Security files and related records were examined in order that CIA might make appropriate certification to the Civil Service Commission for its compliance with certain requirements of the Loyalty Program.

c. Status of investigative cases for the month of April is as follows:

(1) Number of cases in process in FBI as of 1 April 1948:			2
Number of cases under investigation by facilities other than the FBI as of 1 April 1948:			223
Number of cases in process in I & S as of 1 April 1948:			<u>150</u>
TOTAL cases in process as of 1 April 1948:			375
Number of cases forwarded for investigation during period:	94		
Number of HHS's receiving pre-investigation action:	<u>23</u>	117	
Less HHS's receiving pre-investigation action 1 April 1948:		<u>15</u>	
		102	
Plus cases closed and not forwarded for investigation:		<u>4</u>	
TOTAL number of new HHS's received during period:			106
Interim Activities reports received:			<u>2</u>
TOTAL number of requests for clearance received during period:			<u>108</u>
			463
	TOTAL VOLUME:		

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Number of approvals - (Applicants - 20 : Employees on duty - 51):	51	
Number of disapprovals:	5	
Number of cases closed before completion:	<u>12</u>	
TOTAL cases closed during month:		68
 Cases in process in FBI as of end of Month:	 2	
Cases under investigation by facilities other than FBI:	289	
Cases in process in I & S as of end of Month:	<u>104*</u>	
TOTAL cases in process as of end of Month:		395

* This is a rotating figure which includes 2 completed applicant cases awaiting appraisal. These cases will be appraised within 1 working day. It also includes 60 low priority cases concerning re-investigations of persons on duty. This figure also includes 23 cases in which the PHN's are receiving pre-investigation action, together with cases involving incomplete PHN's, those awaiting justification of necessary exception to existing security policy, etc.

(2) Name Checks for Contact Branch:

(a) Number pending last day of previous month	63
(b) Number requests received during month	94
(c) Number completed during period	117
(d) Pending	29

(3) Name Checks other than those for Contact Branch:

(a) Number pending last day of previous month	350
(b) Number requests received during period	222
(c) Number completed during period	178
(d) Pending	394

(4) Number of Exit Interviews conducted, and interviews with employees leaving Washington, D. C., or having a temporary break in actual employment: 28

(5) Number of files reviewed for representatives of other government agencies: 20

(6) Name checks conducted for the FBI against the security files of CIA: 68

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7. Physical Security Division

a. In completing operating details of the Disaster Plan, agreement has been reached whereby P.B.A. will install siren fire alarm systems in six CIA buildings which presently lack alarm systems. The provision for alarm systems constitutes an important part of the CIA Disaster Plan.

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b. The fingerprinting of all vouchered personnel not previously fingerprinted within the time designated under the Loyalty Program was completed and the report submitted to the FBI.

c. The Atomic Energy Commission requested a copy of the CIA Disaster Plan for guidance in developing and establishing similar plans in their operations in the event of emergency.

f. Preliminary plans have been established for the security indoctrination of all CIA employees who have not previously been formally indoctrinated.

g. During the month of April four security indoctrination classes were held for 22 new employees.

h. Security violations involving unlocked safes and exposed classified material indicated as a result of inspections conducted by representatives of this office and by the guards during non-working hours totaled 13 for the month. This is the lowest record of violations for the past eight months. A summary of the security violations for the month of April is as follows:

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<u>OFFICE</u>	<u>EXPOSED CLASSIFIED MATERIAL</u>		<u>OTHER MAPS</u>	<u>TOTAL</u>
	<u>Top Secret</u>	<u>Secret & Confidential</u>		
Dir. Off.	0	0	0	0
Gen. Counsel	0	0	0	0
IOAPS	0	0	0	0
AAE	0	1	0	1
IAS	0	0	0	0
OGD	0	0	0	0
ORR	1	2	2 (1 Map Case)	5
GO	0	2	0	2
OSO	0	0	5	5
Advisory Council	0	0	0	0
GPO (South Bldg.)	0	0	0	0
TOTALS	1	5	7	13

1. Safe Repair Operations for the month of April were as follows:

<u>Combinations Changed</u>	<u>Secondary Repairs Made</u>	<u>Major Repairs Arranged for</u>
247	45	25

1. Indoctrination activity and handling of pass control during the month of April were as follows:

<u>Preliminary Indoctrination, Fingerprinting, photo- graphing, Secrecy Agreement (Including OSO)</u>	<u>Regular Badges Made and Issued</u>	<u>Limited Passes Made and Issued</u>	<u>Regular Badges Destroyed</u>	<u>Limited Passes Destroyed</u>
54	57	4	30	1

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k. Night security inspections made by Night Duty Security Officers were as follows:



<u>OFFICE</u>	<u>NUMBER OF INSPECTIONS MADE</u>	<u>REMARKS</u>
Director's Office	3	1 Building
General Counsel	3	1 Building
O.R.E.	13	3 Buildings
A & M	22	by Branches-4 Bldgs.
O.C.D.	6	2 Buildings
I & S	6	2 Buildings
I.C.A.P.S.	3	1 Building
O-O	13	By Branches-4 Bldgs.
Advisory Council	3	1 Building
Exec. Dir. & Off. Sec. H.I.A.	3	1 Building
G.P.O. (South Building)	2	1 Building
TOTAL	76	

l. Visitor traffic in CIA buildings for the month of April as follows:

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<u>BUILDINGS</u>	<u>PURPOSE OF VISITS</u>					<u>TOTALS</u>
	<u>General Visitors</u>	<u>Applicants for Employment</u>	<u>Employees Forgotten Badges</u>	<u>New Employees without Badges</u>	<u>Deliveries and Repairs</u>	
North	655	201	11	55	69	991
Central	176	31	5	33	23	270
South	173	31	19	65	41	329
Admin.	258	0	2	10	8	278
"Q"	650	182	30	157	44	1063
25X1A "R"	633	90	21	60	39	913
	40	0	1	-	0	47
25X1A 2210 "B"	127	2	0	210	17	356
Briggs School	43	0	0	34	36	127
	175	1	3	18	127	322
	133	13	3	35	140	331
	154	0	4	16	1	175
	87	6	7	20	14	134
TOTALS	3312	571	111	783	608	5385

In addition to the above, 818 applicants for positions were admitted to the Personnel Branch interview room in North Building, adjoining the receptionist room. These persons were logged by the receptionist but Visitor Passes were not issued to them, as they were not admitted to the building proper.

8. Inspection and Audit Division

a. The inspection as ordered by the Director was completed and reports made to the appropriate officials.

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b. A special investigation conducted for the Executive Director was completed and report submitted.

c. An inspection of CIA motor vehicle operations was conducted. The inspection was the first of a continuing series as provided for in the Executive Director's statement of functions dated 25 March 1948.

d. Re-inspection of Services Branch supply handling was conducted to determine progress made toward implementing the recommendations made in the inspection report of 17 February 1948.

e. Preparation and processing for inspection of European and [REDACTED] was initiated.

f. At the request of the Economic Cooperation Administration, the Acting Chief of the Inspection Division was detailed on a loan basis to assist that Agency in formulating its security policy.

g. During the month of April members of this Division participated in the functions of the CIA and OSO Property Survey Boards.

h. During the month of April the entire Audit staff continued its audit of Special Funds accounts. A special report on the month's audit has been submitted to the Director.

9. Security Control Staff

a. During the month reviews and decisions were rendered with respect to 15 requests for security clearance on academic papers, books and writings for publication, Civil Service examinations, letters of recommendation, questionnaires and similar problems.

b. Approximately 16 opinions and policy decisions relating to security matters were given in response to specific requests. Included in the subjects considered were:

- (1) Assignment of IAC agency personnel to CIA operations;
- (2) Credit references for [REDACTED] Office personnel;
- (3) Determination of proper security classifications;
- (4) Dissemination of CIA information;
- (5) Security policy toward non-IAC agency;
- (6) Establishment of contact with [REDACTED];
- (7) Map Branch material for U. S. exhibits;
- (8) Handling of ABC restricted data by CIA personnel.

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c. Sixteen proposed contacts are under consideration for approval under the security policy governing discussion with and dissemination of classified information to individuals within non-IAC agencies.

d. Sub-liaison clearing authority was requested and established for the Coast and Geodetic Survey. Due to the small volume it now appears unnecessary to formally establish this authority.

e. Contact security policy memoranda were issued for the handling of classified information for the Department of Agriculture, Department of Interior, Federal Trade Commission, and an alternate liaison clearing authority was established in the National Advisory Committee on Aeronautics.

f. Prepared and coordinated an instruction for distribution to 00 Field Offices covering credit references for field personnel.

g. Prepared security policy memoranda for 00 regarding exploitation of [REDACTED] as potential sources of foreign intelligence.

h. Policy guidance was rendered with respect to clearance of CIA classified information for submission to ad hoc committees.

i. Prepared special security policy for disclosure of SECRET and TOP SECRET information to the National Security Resources Board.

II. PROJECTS AND PLANS FOR MAY

1. Investigations Division

a. Consolidation of the two Reference Index files on personnel security information will be initiated during the month.

2. Inspection and Audit Division

a. Completion and submission of report of motor vehicle inspection.

b. Briefing for inspection of European and [REDACTED]

c. Study of redefined functions of inspection and security to determine their application to the organizational pattern of CIA.

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d. No other projects are planned for the audit program as full time of the entire Audit staff will be devoted to the continued audit of Special Funds.

3. Security Control Staff

a. Completion of plan for the storage of vital CIA documents in the event of emergency or disaster.

b. Preparation of a policy with respect to the placing of subscriptions covering periodicals and publications for CIA use.

4. The major effort of I & S during the month of May will be devoted to the organization of the CIA Investigative Unit and establishment of sub-offices throughout the United States to provide adequate investigative coverage consistent with CIA investigative requirements.

SHEPPARD EDWARDS

Colonel, G.S.C.

Executive for Inspection and Security

IS: RLB/mth

cc: Executive Director
Asst. Director, ORR
Asst. Director, OO
Asst. Director, OGD
Asst. Director, OSO
Executive for I & S

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